

NEWS RELEASE

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DeNUCCI RELEASES AUDIT OF PUBLIC RETIREMENT BOARDS

State Auditor Joe DeNucci today issued a report on administrative costs at seven public retirement boards that generally found adequate financial controls to be in place. However, the audit cited the Massachusetts Teachers Retirement Board (MTRB) for a lack of sufficient controls over staff travel and corporate credit cards.

DeNucci's audit noted a lack of written travel policies at the State Employees' Retirement Board, Massachusetts Port Authority Retirement Board and Massachusetts Housing Finance Agency Retirement Board. Also, the retirement boards of the Massachusetts Turnpike Authority, Port Authority, Massachusetts Water Resources Authority and MHFA did not have documented internal control plans. Finally, DeNucci's audit noted that the Teachers' Retirement Board, Pension Reserve Investment Management Board and Turnpike Authority Retirement Board did not fill vacant board positions in a timely manner.

The audit verified that the Executive Director of the Teachers' Retirement Board owed the board for \$3,128 in personal expenses charged to the board's credit card. The Executive Director has reimbursed the board \$3,518, which included \$505 in interest. DeNucci's audit called for further explanation and documentation of \$1,742 in administrative expenses in order to substantiate their business purpose. As a result of DeNucci's audit, the Teachers' Retirement Board has implemented a new policy requiring its Chairman to pre-approve all out-of-state travel by the Executive Director. DeNucci said this is a significant improvement, but recommended that the full retirement board pre-approve travel by the Executive Director and board members.

"The Teachers' Retirement Board, as well as the other retirement boards, should continue to strengthen controls over travel and other expenditures so there is a documented benefit to members of the retirement systems represented," concluded DeNucci.

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